10707

TREATIES AND OTHER INTERNATIONAL ACTS SERIES 10707

TRADE

Meat Imports

Agreements Between the
UNITED STATES OF AMERICA
and NEW ZEALAND

Effected by Exchange of Letters
Signed at Washington September 28 and 29, 1982

And Exchange of Letters
Signed at Washington September 8 and 9, 1983

with

Related Letters

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NEW ZEALAND

Trade: Meat Imports

Agreements effected by exchange of letters
Signed at Washington September 28 and 29, 1982;
Entered into force September 29, 1982.
And exchange of letters
Signed at Washington September 8 and 9, 1983;
Entered into force September 9, 1983.
With related letters.

READEX FICHE

The Acting United States Trade Representative to the New Zealand Ambassador

DEPUTY UNITED STATES TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C. 20506
202 395 5114

September 28, 1982

His Excellency
The Right Honorable
L.R. Adams-Schneider
Ambassador of New Zealand
37 Observatory Circle, N.W.
Washington, D.C. 20008

Excellency:

I have the honor to refer to discussions among representatives of our two governments relating to the importation into the United States for consumption of meats described below in paragraph 1 during calendar year 1982. In the context of those discussions, I have the honor to propose the following agreement between our two governments:

1. For purposes of this agreement, the term "such meats" shall mean: (a) fresh, chilled, or frozen cattle meat (Item 106.10 of the Tariff Schedules of the United States); (b) fresh, chilled, or frozen meats of goats and sheep, except lambs (Items 106.22 and 106.25 of the Tariff Schedules of the United States); (c) prepared beef and veal items (except sausage), whether fresh, chilled, or frozen, but not otherwise preserved (Items 107.55 and 107.62 of the Tariff Schedules of the United States); and (d) meats which, but for processing in foreign-trade zones, territories or possessions of the United States prior to entry, or withdrawal from warehouse, for consumption in United States Customs Territory, would fall within the above descriptions (and Items of the Tariff Schedules of the United States) upon such entry, or withdrawal from warehouse, for consumption.

2. The Government of New Zealand shall limit the quantity of such meats exported from New Zealand to the United States of America as direct shipments or shipments on a through bill of lading in such a manner that the quantity of such meats entered, or withdrawn from warehouse for consumption, into the United States Customs Territory during the calendar year 1982 does not exceed 340 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 4.

3. The Government of the United States of America may issue regulations limiting to 340 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 4, the quantity of such meats from New Zealand which, during calendar year 1982, may be entered, or withdrawn from warehouse for consumption, whether such meats were shipped directly or indirectly. It is understood that United States Customs statistics of entries, or withdrawals from warehouse for consumption, will be used for purposes of this agreement. Such statistics shall not include meats which have been refused entry because of failure to meet appropriate standards prescribed pursuant to the Federal Meat Inspection Act, as amended,[1] and those meats shall not be regarded as part of the quantity described in paragraph 2, as it may be increased pursuant to paragraph 4. It is also understood that the Government of the United States of America will consult with the Government of New Zealand should regulations other than those directing the United States Customs Service to alter its entry procedures and to prohibit entry to transshipped meat be required.

4. The Government of the United States of America may increase the permissible total quantity of imports of such meats into the United States during the calendar year 1982 from New Zealand or may reallocate any shortfalls in imports from other supplying countries. Imports of such meats during the calendar year 1982 from countries which have not entered into, and are not expected to enter into agreements with the Government of the United States of America, are projected to total 155.8 million pounds. If it is subsequently estimated by the Government of the United States of America that there will be a shortfall in collective imports from these supplying countries, the Government of the United States of America shall promptly reallocate such shortfall to countries which have entered into agreements with the Government of the United States of America. After consultations with the government of the country involved, the Government of the United States of America may declare a shortfall for any of the countries which have entered into agreements. In the event a shortfall is declared, the Government of the United States of America shall promptly consult with governments of countries party to an agreement to determine an appropriate reallocation among those countries party to an agreement but not expected to have a shortfall. Any available shortfall shall be promptly reallocated.

[1] 81 Stat. 584; 21 U.S.C. § 601 note.

5. The Government of New Zealand and the Government of the United States of America shall consult promptly upon the request of either government regarding any matter involving the application, interpretation, or implementation of this agreement, and regarding any increase in the total quantity of imports from New Zealand permissible under this Agreement including reallocation of any shortfall.

6. (a) To enable both Governments to follow progress under this agreement, the Government of the United States of America shall provide to the Government of New Zealand as soon as possible after the end of each week Customs statistical information concerning imports of such meats from all supplying countries.

(b) As soon as possible after the end of each month, the Government of New Zealand shall provide to the Government of the United States of America details of scheduled arrivals to December 31, 1982, ship-by-ship and port-by-port, based on actual loadings in New Zealand.

I have the honor to propose that, if the foregoing is acceptable to the Government of New Zealand, this note and Your Excellency's confirmatory reply constitute an agreement between our two Governments which shall enter into force on the date of your reply.

Accept, Excellency, the renewed assurance of my highest consideration.

David R. Macdonald

David R. Macdonald
Acting United States Trade Representative

The New Zealand Ambassador to the United States Trade Representative

29 September 1982

Sir,

I have the honour to refer to your note of 28 September 1982 which reads as follows:-

[For the text of the U.S. note, see pp. 2-4.]

I have the honour to confirm that the foregoing is acceptable to the Government of New Zealand and that your note and this confirmatory reply shall constitute an agreement between our two Governments which shall enter into force on the date of this reply.

Accept, Sir, the renewed assurances of my highest consideration.

Rt. Hon. L.R. Adams-Schneider
Ambassador

The Honourable
William E. Brock,
United States Trade Representative

The Deputy United States Trade Representative to the New Zealand Ambassador

DEPUTY UNITED STATES TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C. 20506
202 395-5114

SEP 8 1983

His Excellency
The Right Honorable
L.R. Adams-Schneider
Ambassador of New Zealand
37 Observatory Circle, N.W.
Washington, D.C. 20008

Excellency:

I have the honor to refer to discussions among representatives of our two governments relating to the importation into the United States for consumption of meats described below in paragraph 1 during calendar year 1983. In the context of those discussions, I have the honor to propose the following agreement between our two governments:

1. For purposes of this agreement, the term "such meats" shall mean: (a) fresh, chilled, or frozen cattle meat (Item 106.10 of the Tariff Schedules of the United States); (b) fresh, chilled, or frozen meats of goats and sheep, except lambs (Items 106.22 and 106.25 of the Tariff Schedules of the United States); (c) prepared beef and veal items (except sausage), whether fresh, chilled, or frozen, but not otherwise preserved (Items 107.55 and 107.62 of the Tariff Schedules of the United States); and (d) meats which, but for processing in foreign-trade zones, territories or possessions of the United States prior to entry, or withdrawal from warehouse, for consumption in United States Customs Territory, would fall within the above descriptions (and Items of the Tariff Schedules of the United States) upon such entry, or withdrawal from warehouse, for consumption.

2. The Government of New Zealand shall limit the quantity of such meats exported from New Zealand to the United States of America as direct shipments or shipments on a through bill of lading in such a manner that the quantity of such meats entered, or withdrawn from warehouse for consumption, into the United States Customs Territory during the calendar year 1983 does not exceed 364.5 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 4.

3. The Government of the United States of America may issue regulations limiting to 364.5 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 4, the quantity of such meats from New Zealand which, during calendar year 1983, may be entered, or withdrawn from warehouse for consumption, whether such meats were shipped directly or indirectly. It is understood that United States Customs statistics of entries, or withdrawals from warehouse for consumption, will be used for purposes of this agreement. Such statistics shall not include meats which have been refused entry because of failure to meet appropriate standards prescribed pursuant to the Federal Meat Inspection Act, as amended, and those meats shall not be regarded as part of the quantity described in paragraph 2, as it may be increased pursuant to paragraph 4. It is also understood that the Government of the United States of America will consult with the Government of New Zealand should regulations other than those directing the United States Customs Service to alter its entry procedures and to prohibit entry to transshipped meat be required.

4. The Government of the United States of America may increase the permissible total quantity of imports of such meats into the United States during the calendar year 1983 from New Zealand or may reallocate any shortfalls in imports from other supplying countries. Imports of such meats during the calendar year 1983 from countries which have not entered into, and are not expected to enter into agreements with the Government of the United States of America, are projected to total 135.5 million pounds. If it is subsequently estimated by the Government of the United States of America that there will be a shortfall in collective imports from these supplying countries, the Government of the United States of America shall promptly reallocate such shortfall to countries which have entered into agreements with the Government of the United States of America. After consultations with the government of the country involved, the Government of the United States of America may declare a shortfall for any of the countries which have entered into agreements. In the event a shortfall is declared, the Government of the United States of America shall promptly consult with the governments of countries party to an agreement to determine an appropriate reallocation among those countries party to an agreement but not expected to have a shortfall. Any available shortfall shall be promptly reallocated.

5. The Government of New Zealand and the Government of the United States of America shall consult promptly upon the request of either government regarding any matter involving the application, interpretation, or implementation of this agreement, and regarding any increase in the total quantity of imports from New Zealand permissible under this Agreement, including reallocation of any shortfall.

6. (a) To enable both Governments to follow progress under this agreement, the Government of the United States of America shall provide to the Government of New Zealand as soon as possible after the end of each week Customs statistical information concerning imports of such meats from all supplying countries.

(b) As soon as possible after the end of each month, the Government of New Zealand shall provide to the Government of the United States of America details of scheduled arrivals to December 31, 1983, ship-by-ship and port-by-port, based on actual loadings in New Zealand.

I have the honor to propose that, if the foregoing is acceptable to the Government of New Zealand, this note and Your Excellency's confirmatory reply constitute an agreement between our two Governments which shall enter into force on the date of your reply.

Accept, Excellency, the renewed assurance of my highest consideration.

Robert E. Lighthizer
Deputy United States Trade Representative

The New Zealand Ambassador to the Deputy United States Trade Representative

9 September 1983

Sir,

I have the honour to refer to your note of 8 September 1983 which reads as follows:-

[For the text of the U.S. letter, see pp. 6-8.]

I have the honour to confirm that the foregoing is acceptable to the Government of New Zealand and that your note and this confirmatory reply shall constitute an agreement between our two Governments which shall enter into force on the date of this reply.

Accept, Sir, the renewed assurances of my highest consideration.

Rt. Hon. L.R. Adams-Schneider
Ambassador

Ambassador Robert E. Lighthizer,
Deputy United States Trade Representative,
Room 200, Winder Building,
600 17th Street, N.W.,
Washington, D.C. 20506.

[RELATED LETTERS]

NEW ZEALAND EMBASSY
57 OBSERVATORY CIRCLE, N.W.
WASHINGTON, D.C. 20008

Phone: (202) 328-4800
Telex 89526

9 September 1983

My dear Ambassador,

The agreement reached today between our two Governments concerning a limitation on imports of New Zealand meat into the United States is, as you know, concluded on the understanding that the United States Government also has separate agreements with the Governments of Australia[1] and Canada[2], respectively, covering United States imports for consumption of meat items as described in the United States Meat Import Act of 1979 (PL96-177),[3] and that the Government of the United States considers that these agreements will guarantee the containment of these imports from Australia to the United States within 600 million pounds in 1983, and from Canada to the United States within 130 million pounds in 1983 (or such greater quantities as may result from the equitable allocation of any shortfalls).

I should like to take this opportunity to draw to the attention of the Government of the United States the importance to New Zealand of the United States market for, in particular, beef and veal. The United States constitutes the market for some 67 percent of New Zealand's overall beef and veal exports and some 88 percent of New Zealand's total production of bobby veal (veal from calves slaughtered within the few days of birth). This trade accounts for over half of New Zealand's total export trade with the United States. United States' import restraints on these meats therefore impose a severe economic burden on New Zealand, and it is extremely disappointing that import restrictions are being introduced for the second consecutive year.

In consideration of these factors the Government of New Zealand understands that the Government of the United States will ensure the earliest possible reallocation of shortfalls.

Ambassador Robert E. Lighthizer,
Deputy United States Trade Representative,
600 17th Street, N.W.
WASHINGTON, D.C. 20506.

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[1] Exchange of letters Sept. 8 and 19, 1983. TIAS 10708.
[2] Exchange of letters Aug. 17, 1983. TIAS 10706.
[3] 93 Stat. 1291; 19 U.S.C. § 1202 note.

In this regard the Government of New Zealand understands that the Government of the United States will consult bi-weekly with New Zealand on imports of meats subject to the Meat Import Act 1979 (as has already been agreed with Canada) and that it will determine and reallocate shortfalls promptly in accordance with its commitment to the Government of New Zealand (made during the 1979 GATT multilateral trade negotiations) that when restraint agreements are in effect inter alia, "any shortfalls ... will be reapportioned promptly among those suppliers able to furnish additional quantities to maintain importations at the minimum levels set forth".[1]

The Government of New Zealand understands that an initial assessment of, and unilateral declaration on shortfalls, and reallocation of such shortfall will be made on or before 14 November 1983 and that following this date, close import monitoring will continue so that if import levels and other information available to the USDA suggests that further shortfalls are likely to occur, a further shortfall declaration and reallocation will be made on or before 12 December 1983.

The Government of New Zealand draws to the attention of the Government of the United States the system of controls instituted by the New Zealand Meat Producers' Board, and the New Zealand Meat Exporters' Council on 1 August 1983 to control the flow of New Zealand sendings of beef and veal to the United States. This is evidence of New Zealand's good faith and firm intention to honour the informal indication already given that New Zealand shall restrain sendings to within the 364.5 million pound allocation. Should companies wish to send more product (after the 364.5 million pounds has been entered) they may do so, but the product will be shipped into bonded storage and documents required for entry of meat into United States commerce will be held by the New Zealand Meat Producers' Board. In the event of a shortfall reallocation, these documents will be sent by courier to the United States importers, to enable them to enter the meat into United States commerce. The timing of the shortfall allocation is therefore of crucial importance to New Zealand, because of the practical problems implicit in organising the rapid entry of shortfall quantities.

The Government of New Zealand understands that when the United States determines an appropriate reallocation of shortfalls among the countries party to the 1983 VRA and not expected to have a shortfall, such allocations would be made on a fair basis. It is New Zealand's view that a fair allocation to New Zealand would be:

(I) 74 percent of the total reallocation (in the event that the only other eligible country were to be Canada);

(II) at least 38 percent (in the event that the only other eligible country were to be Australia);

(III) at least 29.9 percent (in the event that all three VRA suppliers were to be eligible for reallocations).

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[1] Signed May 21, 1979. TIAS 10019; 32 UST.

The Government of New Zealand requests that the Government of the United States notes New Zealand's view on this matter.

The Government of New Zealand also understands that all countries entering into the 1983 VRA shall be subject to the imposition of Section 204 controls.

In agreeing to this arrangement, New Zealand nevertheless reserves its GATT rights in respect of USTS items 106.10, 106.22, 106.25, 107.55, 107.62, and meats which, but for processing in foreign trade zones, territories, or possessions of the United States prior to entry, or withdrawal from warehouse, for consumption in United States customs territory, would fall within the above USTS items.

The Government of New Zealand emphasises that these points are made following its experience of the operation of restraints in 1982 and they reflect its desire to ensure that in 1983 all parties to VRA agreements are fairly treated, that there is clear understanding on the procedures and timing of any shortfall decisions and reallocation, and that New Zealand's expectations in respect of the agreement are both understood and acknowledged.

Accordingly, I should be grateful for your confirmation that the United States shares the understandings set out in paragraphs 3 and 4 of this letter.

Yours sincerely,

Lance L Adams-Schneider

(Rt. Hon. L.R. Adams-Schneider)
Ambassador

DEPUTY UNITED STATES TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C. 20506
202 395 5114

SEP 21 1983

His Excellency
The Right Honorable
L.R. Adams-Schneider
Ambassador of New Zealand
37 Observatory of New Zealand
Washington, D.C. 20008

Excellency:

I refer to your letter of September 9 setting out the understanding of the Government of New Zealand regarding the exchange of notes constituting an agreement between our two governments to limit U.S. imports of New Zealand meat. I am pleased to confirm that my government shares the understandings of the Government of New Zealand as explained in paragraphs 3 and 4 of your letter.

With regard to specific percentages which may be used as the basis for allocating any shortfalls that may be declared, my government reserves this determination as a matter of principle. However, we have noted your comments regarding your government's views on an equitable distribution.

Your Excellency, we appreciate New Zealand's cooperation in this matter. We are particularly grateful for your efforts and those of your staff in resolving this difficult issue in a timely and mutually acceptable manner.

Sincerely yours,

Robert E. Lighthizer